

**GOVERNMENT OF INDIA
SHIPPING, ROAD TRANSPORT AND HIGHWAYS
LOK SABHA**

UNSTARRED QUESTION NO:718
ANSWERED ON:22.10.2008
DECLINING INCOME OF SHIPPING INDUSTRY
Naik Shri Shripad Yasso

Will the Minister of SHIPPING, ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) the details of the earnings of Shipping Industry during each of the last three years and the current year;
- (b) the reasons of decreasing, if any, in the earnings of Shipping Industry;
- (c) whether by the year 2012, around 44 percent ships are going to be put out of use; (
- (d) if so, the details thereof; and
- (e) the steps taken/being taken by the Government to improve the condition of Shipping Industry?

Answer

MINISTER OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS(SHRI T.R. BAALU)

- (a) The details of the earnings of the Shipping Industry during the last three years are given as under:-

(Rs. In crores)

	2005-06	2006-07	2007-08	1st quarter of 2008-09 (April-June, 2008)
1.Freight and charter hire earnings	9,180.25	10,788.52	11,587.00	3,942.03
2.Sales proceeds of ships.	2,025.55	1,062.49	1,399.82	460.93
Total	11,133.80	11,851.01	12,986.82	4,402.96

- (b) The earnings of the industry has been increasing over the years.

(c) Yes Sir. Around 44% i.e 3.97 million GT (6.29 million DWT) out of the existing Indian fleet will have to be scrapped by the year 2012 due to old age/IMO phase out regulations.

- (d) The details are given below:

Type of ships	No. of ships	Gt	Dwt
Dry cargo liners	34	54977	77702
Dry cargo Container vessels	10	104612	129311
Bulk carriers	71	1868523	3153152
Ore Oil Bulk carriers	1	66926	123465
Crude oil tankers	21	609719	1060227
Product carriers	36	796743	1340548
Passenger-cum-cargo vessels	11	36571	18925
LPG Carriers	7	127712	159250
Supply Vessels	115	177980	155853
Dredgers	15	59544	22260
Others	110	63229	48978
Total	431	3966536	6289671

- (e) The Government has been taking various steps from time to time for the growth of Indian tonnage. These include:

(i) The Government of India has formulated the National Maritime Development Programme (NMDP) under which 111 projects for Shipping & Inland Water Transport Sector have been identified for implementation by the year 2015 at cost of Rs.44,535 crores. The activities covered under the Programme include tonnage acquisition, maritime training, coastal shipping, aids to navigation, shipbuilding and building up of IWT infrastructure. Under the NMDP, The Shipping Corporation of India plans to acquire 76 vessels at a total approximate cost of Rs.15,000 crores.

(ii) Tonnage Tax has been introduced from 2004-05 whereby in the matter of taxation a level playing field has been given to Indian Shipping Industry vis-À-vis international shipping industry.

(iii) The acquisition of vessels has been brought under Open General Licence. The Shipowners are free to decide on type of ships to be acquired and their area of operation etc.

(iv) 100% Foreign Direct Investment (FDI) is permitted in Shipping Sector.

(v) The formalities of registration of newly acquired vessels have been simplified.

(vi) The maritime training, examination and certification system has been streamlined to meet the market demands.